

GLN LIMITED

BUSINESS PLAN

ON

CARGO TRANSPORTATION SERVICES

**Amj Partners
P. O. Box 16367
Dar Es Salaam.**

**Jun, 2024
0752366560**

TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY AND INTRODUCTION....	1
2.0	TECHNICAL ASPECTS.....	5
3.0	FINANCING PLAN AND PROJECTIONS.....	8
4.0	MANAGEMENT.....	10
5.0	MARKETS AND MARKETING ANALYSIS.....	12
6.0	ENVIRONMENTAL EFFECT.....	15
7.0	SOCIO – ECONOMIC CONSIDERATIONS.....	16
8.0	RECOGNITION OF RISKS.....	17
9.0	CONCLUSION.....	18
10.0	ANNEXES.....	19

1.0 INTRODUCTION

1.1 PREAMBLE

M/S GLN Limited was registered as a Limited liability company on the 26th day of May, 2022 and given a Certificate of Incorporation number 156275409. Among the core objectives under which it was registered, activity code number 4923 is **"To carry on the business of cargo transportation by road,"**. The company now wants to implement this objective among others.

Right now, the company is running cargo transportation services using own and hired means of transport and it is profitable with a minimum profit margin. With this business plan, the company intends to strengthen the business by buying twenty (20) more trucks and trailers in phases with view of increasing efficiency and more profitability. Phase one, the promoters will start with ten (10) trucks and trailers.

For the project to be sustainable, Directors are planning also to have two heavy equipment for hire (Low bed and excavator) on one hand and on the other hand ten (10) tipping trailers to be used for.....when vehicle are not having cargoes to transport as alternative income generating activity.

The purpose of this feasibility study is to be presented to the company management team as a plan for resources mobilization and a document to be used to apply for the Certificate of Incentives granted by the Tanzania Investment Centre as local Investor for easy implementation of its objectives.

The Company is engaged in transportation sector specialising on cargo transportation services within the country and outside the country mostly on hired trucks which sometime during high pick time it becomes difficulty to get hired trucks or forced to higher at a relatively high cost.

The company has been successful in the cargo transportation sector for the last two years with own truck with registration number T641EAK and trailer with registration number T452EAQ and now wants to expand the business by buying ten (10) own trucks and trailers, ten (10) tipping trailers and

heavy equipment for hiring with the view of meeting customers' increasing demand and company profitability.

This report provides a techno-economic evaluation of the proposal so as to enable the company secure financial support in the form of capital investments for importing 10 new trucks and trailers of Faw make, 10 tipping trailers and two heavy equipment (low bed and excavator) from China as listed in the table below:

DESCRIPTION	AMOUNT IN \$	AMOUNT IN TZS
10 Trucks& Trailers	785,000	2,041,000,000
Excavator	122,000	317,200,000
Low Bed	105,000	273,000,000
3 Tipping Trailers	108,000	280,800,000
TOTAL	1,120,000	2,912,000,000

The business plan attempts to achieve the following objectives:

- (i) The business aims at providing proposals on how the Company's cargo transportation project along Mwenge street, Plot Number 11 Block G, Kinondoni Municipality in Dar es Salaam City is profitable to the company.
- (ii) To continue offering cargo transportation services at affordable rates and timely delivery of customers' goods to selected destinations within and outside Tanzania.
- (iii) To increase the number of trucks and trailers (Faw make) which are more heavy duty, more capacity and more durability in compatible with whether in Africa and in particular Tanzania with the aim of expanding business and profitability.
- (iv) To buy one (1) low bed truck and one (1) excavator for hiring and for company own activities for expanding business and profitability.

- (v) To buy three (3) tipping trailers to be used as alternative investment when trucks are not used for cargo transportation and profitability.
- (vi) To provide key indicators in the proposal such as creation of revenue earning capacity, that will cover all costs, better servicing the short-term loan facility and contribute to profit.
- (vii) To review the company's technical and market potential so as to match new requirements with the type of management team.
- (viii) To estimate the required levels of investing funds, working capital, other costs and input for proper investment decision.
- (ix) To provide a forum through which the company can negotiate with financiers for funding.

1.2 SPONSORS

GLN Limited, a private limited liability company incorporated in Tanzania is sponsoring the project.

1.3 LEGAL STATUS AND MANDATES:

GLN Limited is a private company limited by shares and incorporated under the company Act 2002 with a Certificate of Registration number 156275409 dated 26th May, 2022.

The authorized share capital of the company is Tanzanian Shillings One Hundred million (100,000,000/=) divided into 100,000 shares of shillings 1,000/= each as per distribution below: -

Name of shareholder	Number of shares	Percentage
Godfrey Bartholomew Chuwa	70,000	70%
Lilian Moshi Ntabaye	30,000	30%
	100,000	100%

1.4 PROJECT PROPOSAL

The company's main business is cargo transportation services within the country and outside the country to various selected reliable customers.

With requested funds, the company is intending to buy and use own trucks in order to meet its customers demand, timely delivery, save running cost in terms of hired trucks and increase company profit. The company will also buy low bed, excavator and tipping trailers as alternative sources of income to sustain the business and profitability.

The company has obtained all necessary statute authority to carry out cargo transportation services. The company trade under business licence number BL No. 20000033994 dated 4th August, 2022 and pays tax under TIN number 156-275- 409 dated 26th May, 2022.

Since its inception, the company has been dealing among other duties in stimulating and developing economic undertakings from Kinondoni municipality in Dar es Salaam City with emphasis on cargo transportation services within the country and outside the country.

More specifically GLN Limited focuses on the following activities: -

- Injecting capital investment and working capital for buying ten (10) new own trucks and trailers,
- Buying one (1) low bed truck and one (1) excavator for hiring and for company own activities for expanding business and profitability,
- Buying three (3) tipping trailers to be used as alternative investment when trucks are not used for cargo transportation and profitability to meet the need of expanding marketing outreach and profitability,
- Improving life standard of the workforce engaged in the Company's activities in Dar es Salaam by way of employments and contributions and levies paid to the Government.

Under this business plan the company intends to increase its income generating capacity and efficiency by arranging short term loan facility for expanding the company's transportation capacity by buying ten new trucks and trailers, Chinese Faw model, low bed, Excavator and tipping trailers which is favourable to Tanzania environments, topographic and efficiency and meet other administrative expenses.

At a meeting of the Board of Directors held at Head Office on the 12/04/2024 a resolution was unanimously passed to negotiate financing and finalize arrangements for applying the TIC certificate of incentive for the Company to fulfil the planned activities.

2:0 TECHNICAL ASPECTS:

2:1 Location

1. Company Headquarters:

GLN Limited has its Head office located along Mwenge street, Plot Number 11 Block G, Kinondoni Municipality in Dar es Salaam City.

The offices can be contacted through the following address:

POSTAL ADDRESS:

P. O. Box 4253.

DAR ES SALAAM.

TELEPHONE LINES/Email:chuwagodfrey10@gmail.com

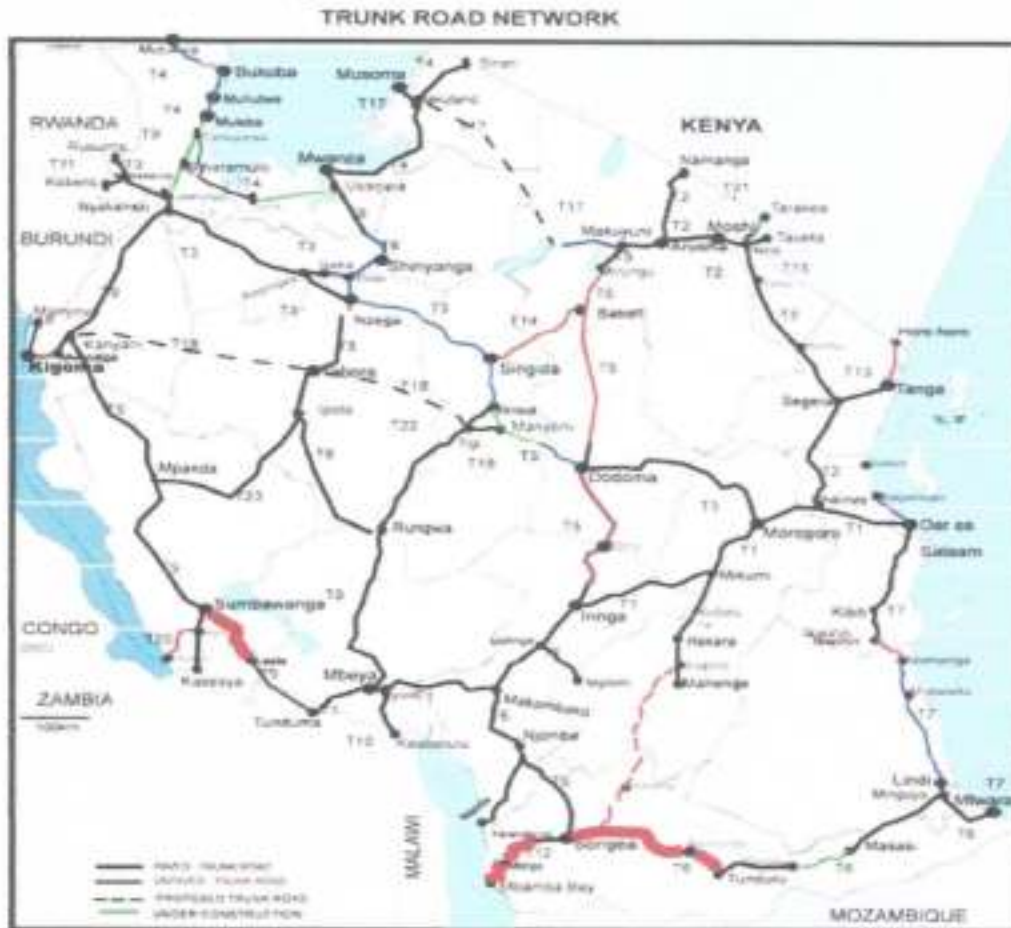
+255 756699100

The location of the company headquarters provides the following advantages:

- Situated at possible centre in Kinondoni Municipality, which enable access to business information and customers who are mainly based in Dar es Salaam and link for export.
- The city is furnished with all necessary utilities: Electricity, water, email and telecommunications. The company operates its business with added efficiency using these facilities.

2.2 Operational Area:

The Company operates its cargo transportation activities from its head office located along Mwenge street, Plot Number 11 Block G, Kinondoni Municipality in Dar es Salaam City whose hired trucks are playing within and outside the country as can be viewed from the attached route map.



The operational areas are wide enough to enable the company operate its activities for many years to come. The routes/ roads to and or from the upcountry regions and to the neighbouring countries are all tarmac providing easy accessibility to various destinations.

2.3 Land/Building/Civil Works:

The company's Head office and truck yard is located along Mwenge street, Plot Number 11 Block G, Kinondoni Municipality in Dar es Salaam City.

All immovable properties/ assets totalling Tshs. 832.8 million financed by the company.

2.4 Vehicles

GLN Limited has no but hires trucks and trailer with varying carrying capacities that are used by the company in its day-to-day cargo transportation services to various clients within and outside the country. After securing bank finance, 10 new trucks and trailers, Low bed, excavator and tipping trailers will be bought making total number of own trucks and trailers to be 11.

2.5: Furniture and Fittings

The company use standard office and furniture for its operations e.g.

- ◆ Office Tables
- ◆ Office Chairs
- ◆ Cabinets
- ◆ Computers
- ◆ Scanners
- ◆ Photocopiers
- ◆ Refrigerator
- ◆ Tool boxes
- ◆ Standby generator

There is no need to procure additional furniture and fittings at the moment.

2.6 Machinery, Tools & Equipment

In future, the company is planning to buy ten (10) trucks and trailers (Chinese Faw model), low bed, Excavator and tipping trailers which are more capacity and more durability in compatible with weather in Africa and in particular Tanzania with the aim of expanding business and profitability effectively and efficiently. In the same line, improving patrol section by buying patrol vehicle to move mechanical technicians in case of mechanical problems.

2.7 Implementation Programme

The cargo transportation services activities were operational at small scale since December, 2022 using combined company's own and bank finance with a truck with registration number T641EAK and trailer with registration number T452EAQ. Subject to availability of adequate additional investment capital as stated in section 1.1 above, the maximum yield will be achieved.

After careful survey, which was conducted by the company, the proposed expansion/improvement will enhance more profit to Ms. GLN Limited for many years.

3.0 FINANCING PLAN AND PROJECTIONS:

3.1 Investment Programme and Capitalization

The total investment cost of the project in terms of vehicles and other assets are estimated at Tshs. 3,233.6 million. Therefore promoters have already injected funds to the tune of Tshs. 872.0 million or 27% of the total investment cost. The expansion of the project will necessitate extra funding to GLN Limited of Tshs. 2,361.6 million or 73% of the total investment cost as investments capital requirement.

3.2 Bank Facility

External financing of Tshs. 2,361.6 million is being sought from Equity Bank Tanzania Limited.

The company pledges the following assets as collateral to the facility:

- (i) Landed property located on prime area in Dar es Salaam, and
- (ii) Chattel mortgage over new trucks to be purchased.

3.3 Operating Costs:

The total direct costs have been estimated ranging from Tshs. 1,224.9 million in year 2024 to Tshs. 1,274.4 million in year 2026 while overhead costs are estimated ranging from Tshs. 101.8 million in 2024 to Tshs. 105.7 million in 2026. Please refer table 7A, 7B and No.7C respectively.

3.4 Projected Sales Revenue

The main sources of revenue will be from sale of transportation services as narrated in the attached table number 6. The projected revenue is expected ranging from Tshs. 4,119.0 million in 2024 and Tshs. 5,156.4 million in 2026.

The projected sales have been determined on the basis of existing carrying capacity in terms of number of trucks and the available reputable regular customers.

The estimated annual profit is estimated ranging from Tshs. 2,131.6 million in 2024 and Tshs. 2,654.3 million in 2026 as reflected in the attached table number 11.

3.5 Working Capital Requirements

Working capital projections for the project are as presented in the attached cash flow statement. According to the said cash flow statement, working capital requirement has been estimated basing on the following assumptions:

- a) Total of total 720 transportation trips per annum to be covered/done and sold per annum. The estimation has considered number of trucks involved with available regular customers used at its minimum achievable capacity.
- b) An average selling price of Tshs. 3,000,000 per trip have been used in the calculation. The used prices are at an average distance of 1,200 kilometres.
- c) An average operating cost of Tshs. 1,700,000 per trip have been used in the calculation. The used prices are at an average distance of 1,200 kilometres.
- d) Sales will mostly be on cash basis that is orders with cash, hence only 2% debtor's collection has been provided in the working capital projection.

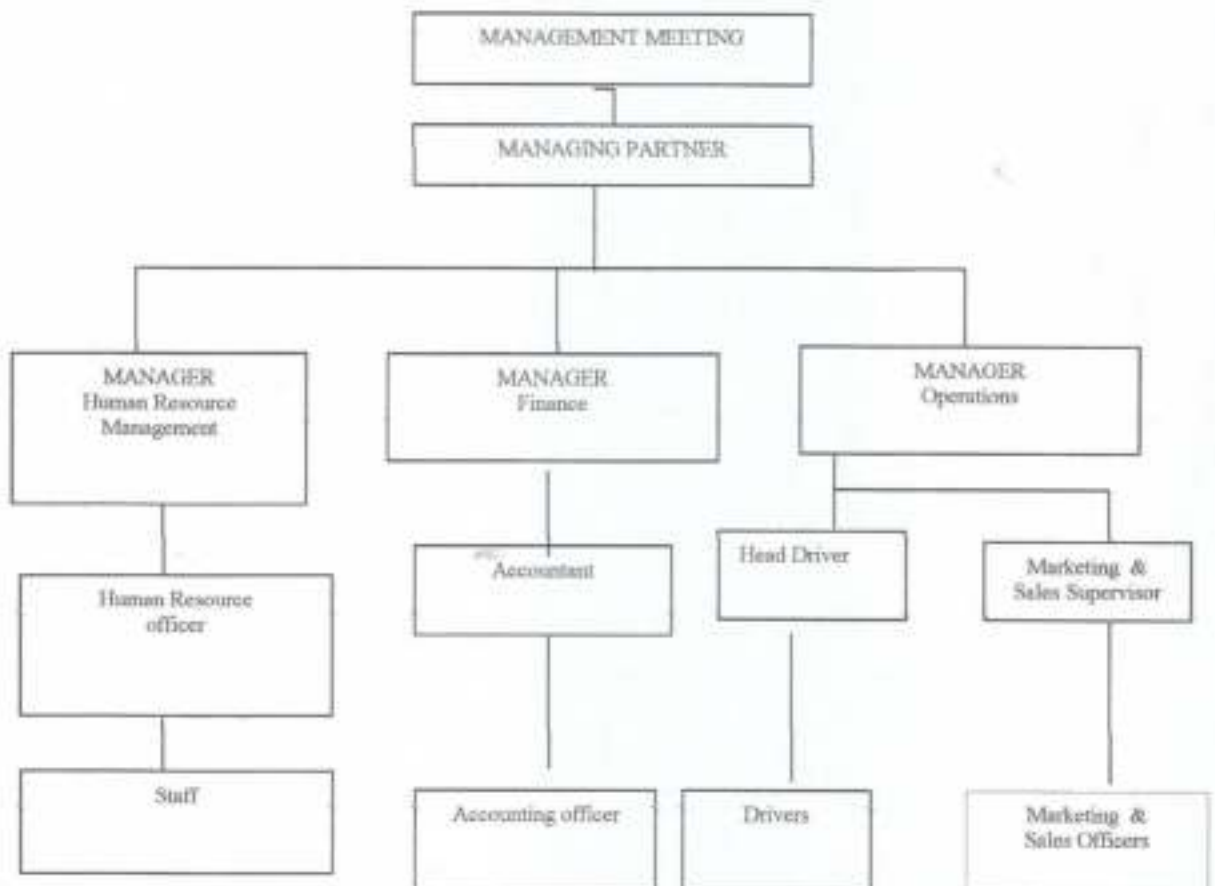
- e) Wage total per month is Tshs. 2,000,000 for all casual and salaries while salaries for some of permanent employee per month are as shown in the brackets of each title holders, Company (Tshs. 800,000.), Operations Manager (Tshs. 600,000), Accountant (Tshs. 500,000), Supervisor (Tshs. 400,000), Drivers (Tshs. 300,000) and watchmen ((Tshs. 150,000).

4.0 MANAGEMENT

4.1 Management and Organisational Structure

All major decision and planning to the project are done by the company Management presented by Managing partner. The day to day activities is under the Manager of Operations who is working in close collaboration with traffic Manager, Accountant and other workers. The company has 7 permanent staff employed by GLN Limited at the moment and will increase after buying ten trucks.

ORGANIZATION STRUCTURE OF THE COMPANY



The curriculum vitae of key personnel of GLN Limited employed are as follows below:

DIRECTOR

Name	Godfrey Chuwa
Place of birth	Kilimanjaro
Date of Birth:	10 th February, 1984
Nationality:	Tanzanian
Marital Status:	Married

Education and Training:

Master's degree in Internal Medicine- MUHAS.

Working Experience of 15 years in employment and private business management.

DIRECTOR

Name	Lilian Moshi Ntabuye
Place of birth	Dar es Salaam
Date of Birth:	27 th June, 1990
Nationality:	Tanzanian
Marital Status:	Married

Education and Training:

Degree in pharmaceuticals – Qingdao Medical University

Working Experience of 5 years in employment and private business management.

4.2 Labour Availability:

There is plenty of manpower at all levels in Tanzania; as such labour availability does not pose any difficulty to the proposed project. The company recruits its personnel from the labour market. Apart from the administrative staff the company main productive cadre includes

professional staff (learned). Due to high unemployment rates in the country the company is able to hire workers easily from the labour market.

5.0 MARKETS AND MARKET ANALYSIS

5:1 The products (Reliable cargo transportation)

The project will make available timely delivery cargo transportation services ready for being marketed.

5:2 Markets

The clientele is largely expected from the local market walk in walk out reliable customers who buys our services in targeting the Dar es Salaam business community which is approximately to 800 business companies/individuals. Of which only 10% are enough to give us maximum profitability.

The Company has reliable and active service buyers locally as well as from upcountry regions are normally pay cash or suppliers' credit. These include BME Tanzania, Orika Mining Services, Kaspian Mining, A.E. L mining services, Diamond Motors Ltd, Mateso group, Nyasanga transport and Golo store only to mention a few.

5:3 Contact Channels

[a] Promotion and Publicity

The company uses the existing mass media to promote its business. These include but not limited to Television, radio, newspapers etc. However, this achievement provides a fast reliable means for external communication. In the near future the company is expected to launch a web site for easy communication and marketing world-wide.

[b] Payment Terms

All clients including the local buyers are paying in either local currency or in United States Dollar through bank deposits which are alternatively acceptable in exchange for cargo transportation services. The mode of operations is on cash basis or order with bank slip deposits and debtors collection to few reliable clients.

5:4 Demand and Supply:

5:4:1 Trend in Demand

As pointed out in para 5.2, the cargo transportation services have steady and ready market locally as well as export markets provided reliable and well-maintained trucks is added advantages. The main local market for cargo transportation in Dar es Salaam which includes Government Institutions, private companies and private individuals.

The Company has reliable and active buyers locally as well as from upcountry regions are normally pay cash or suppliers' credit. These include BME Tanzania, Orika Mining Services, Kaspian Mining, A.E. L mining services, Diamond Motors Ltd, Mateso group, Nyasanga transport and Golo store only to mention a few.

5:4:2 Trend in Supply

According to the number of trucks (10 new trucks) the company is having and the available reliable customers who are enough to meet the maximum efficiency for many years to come.

5:5 Pricing Mechanism

Prices for cargo transportation per trip vary depending with respective weight of the cargo and distance covered. As such, in preparing the projected cash flow statement, the project management has decided to use average selling price of

Tshs.3,000,000/= per trip in the calculation. The average price applies for local selling. The rates have been converted from United States Dollar currency.

5.6 Competition

The cargo transportation business is widely sparsely in the country and depend very much how close to the clients, customer care, delivery time and the reliable trucks used to carry goods. The shorter the distance the less operating costs hence more profitability.

Some of the strong transporters in the country include Azam Transport Co. Limited, ATN Transportation, Ukod International Co. Ltd, Lake Transportation Co. Ltd, Abdul Mohamed Yusuph, Abdallah Dossa and KTN transport Co. Ltd only to mention a few.

These and other players do not pose any threat to Ms. GLN Limited as the company has new and well-maintained vehicles, timely delivery, competitive price and good customer services.

5.7 SWOT Analysis

5.7.1 The Strength

The strength on the project relies heavily on the capacity and experience of the Directors and other staff earmarked to be employed especially the Manager of operations, traffic Manager who have cargo transportation experience for long time (more experienced in the field). The business location along Mwenge street, Plot Number 11 Block G, Kinondoni Municipality in Dar es Salaam City also adds advantage to the Company and created goodwill to the public as they provide employment directly and indirectly. In addition, demand for the company's services and products are always on increase.

5.7.2 Weakness

The Company's main limitation is non-availability of adequate investing capital funds to finance buying adequate number of new trucks and meeting other operating expenses related to the cargo transportation services. As such, the decision to approach his financiers Equity Bank Limited for Tshs. 2,361.6 million short term loan facility is the company's deliberate strategy to overcome this weakness.

5.7.3 Opportunity

The company has a room to expand as the demand is on increasing trend provided trucks used in cargo transportation are always maintained and timely delivery whose demand is on increasing trend.

5.7.4 The threat

The cargo transportation services are threatened by competitors mostly the big players in the market. However, clients are targeting niche market with best quality, competitive price and timely delivery. **Well maintained trucks**, readily available, timely delivery and competitive price is added advantage for company's efforts to overcome market competition.

6.0 ENVIRONMENTAL EFFECT

(Environmental Impact Assessment):

The cargo transportation services do take care about the environment and does not have direct environment degradation/hazard and it is therefore environmentally friendly. The smokes are prevented by high standard repairs and maintenance of vehicles which seem to affect environment.

7.0 SOCIO – ECONOMIC CONSIDERATIONS

7.1 Government Revenue:

The cargo transport will greatly benefit the Nation in the form of various forms of taxation that GLN Limited pays to the Government. These are Development levy, Royalty, PAYE and payroll levy and other form of taxes paid to the local and central main Government. The company will also earn more as a result of increased production and sales supported by bank finance in the form of term loan facility.

The project will also be a source of income to various people who are/will be employed on permanent and/or casual terms. Permanent employees include the company, Manager of operations, Traffic Manager, Accountant, Technicians and Drivers. Thus, financing and developing the cargo transportation activities in Kinondoni Municipality will substantially improve standard of living of various people in Tanzania as a whole.

7.2 Employment Effect:

Supporting the project will create not less than 30 new jobs excluding the permanent employees mentioned in paragraph 2.1 above. Several other casual labourers will be employed as need arises especially maintenance time.

The company will employ a total of 25 individuals (20 on permanent and 5 on temporary basis). The proposed expansion will create 30 more jobs. In an economy such as Tanzania where unemployment rates have reached alarming levels any effort, which creates employment, is highly appreciated.

7.3 Foreign Exchange Effect:

All exports will be done and payments are in foreign currency which is readily convertible. As such, GLN Limited facilitate quality cargo transportation services in Kinondoni Municipality, hence the project is foreign exchange earner if products exported to neighbouring countries.

7.4 Encourage Sectoral Linkages:

The implementation of the project provides an opportunity for linkages in trade, health, mining and agricultural sectors. Efficiency in any of these sectors creates more markets to others thus increasing the need of more production.

8.0 RECOGNITION OF RISKS

8.1 Assessment:

There are various risks against the achievement of the planned objective. The major ones being:

- (i) Trucks and trailers not operating
- (ii) Non – availability of power and spares for the factory machines and other equipment.
- (iii) Lack / fall of market place.

8.2 Mitigation

To encounter the negative effects of the above scenarios when happen, the management is advised to apply the following measures:

- (i) In the short –run there is a remote chance that all trucks will be inoperative. However, in the long run the management should always be prepared to buy other new trucks to replace the old trucks.
- (ii) Fuel and spares may not be a problem as the management will be buying and installation of storage/petrol station with huge storage capacity in case of fuel problem. Regarding the issue of spare parts, management should always keep in store all important spare parts for immediate use when break down happen.
- (iii) Management is urged to expand the current market. It is thus imperative that market will always be there.

9.0 CONCLUSION

Analysis has revealed that the proposed project is technically feasible, financially and economically viable, and socially beneficial. As such, the management is therefore striving to execute the company's management decision to seek a certificate of incentive approval from TANZANIA INVESTMENT CENTER which will facilitate the move.

KEY ASSUMPTIONS AND CONSIDERATION:

Table 1

SN/PARTICULARS	FOREX RATE	EQUIVALENCY	CONVERSION DATE	INTEREST RATE	SENSITIVITY FACTOR ***
[A] EXCHANGE RATE:					
1. US\$ to Tshs	1.00	2600.00000	2024		
2. £ to Tshs	1.00	3400.00000	2024		
3. £ to US\$	1.00	1.30769	2024		
4. JY en to Tshs	1.00	5.02520	2024		
5. US\$ to JY en	1.00	517.39234	2024		
[B] INTEREST RATES:					
1. Overdrafts				18%	
2. Term Loan				18%	
[C] SENSITIVITY FACTOR:					
Used to test the projects strengths in case of changes in the exchange rate					
[D] OTHERS:					
A margin on goods purchased is projected at:					
Efficiency Utilisation	44.0%	60.0%	70.0%	85.0%	85.0%
NOTE					

*** = The exchange rates used are Average rates for the year 2024

INVESTMENT SCHEDULE:

Table 2

SN	DETAILS OF THE EXPENDITURE	UNIT COST	QUANTITY	EQUITY	FINANCING ARRANGEMENT	TOTAL [Tshs]	TOTAL [US \$]
			PIECES		LOAN		
[A] LAND AND BUILDINGS [TSHS]:							
	Land Acquisition	90,000,000	1	90,000,000		90,000,000	34,615
	Building-proprietors own building	260,000,000	1	260,000,000		260,000,000	100,000
[B] MACHINERY, TOOLS & STOCKS:							
1	Spent Unit	1,200,000	3	3,600,000		3,600,000	1,385
2	Utilities/Installation i.e electricity and water	80,000	1	80,000		80,000	31
3	Ceiling Fan	-		-		-	-
4	Machinery on section 2.6 of the study	1,760,000	1	1,760,000		1,760,000	677
5	Stocks of oil and auto parts						
[C] VEHICLES							
1	Truck and trailers	164,662,000	11	392,500,000	1,646,620,000	2,039,120,000	784,277
2	Tipping Trailer	93,600,000	3	-	280,800,000	280,800,000	108,000
3	Low Bed	117,000,000	1	-	117,000,000	117,000,000	45,000
4	Excavator	317,200,000	1	-	317,200,000	317,200,000	122,000
5	Puro vehicles	20,000,000	4	80,000,000		80,000,000	30,769
[D] FURNITURES, FIXTURE & FITTINGS:							
1	Refrigerators, computers & its accessories	3,400,000	1	3,400,000		3,400,000	1,308
2	Furnitures	1,500,000	1	1,500,000		1,500,000	577
	Sub-total			832,840,000	2,361,620,000	3,194,460,000	1,228,638,46
[E] PRE-OPERATIONAL EXPENSES [TSHS]:							
1.	Entertainment/Drinks/Food etc	20,000	12	240,000	-	240,000	184.62
2.	Feasibility Study Preparation	1,500,000	1	1,500,000	-	1,500,000	1,153.85
3.	Legal Documentation/Licence	600,000	1	600,000	-	600,000	461.54
4.	Land Rent	200,000	12	2,400,000	-	2,400,000	1,846.15
5.	Salary and Wages (First Month)	2,000,000	12	24,000,000	-	24,000,000	18,461.54
6.	Electricity & Other Utilities	95,000	12	1,140,000	-	1,140,000	876.92
7.	Transport/Traveling charges	750,000	12	9,000,000	-	9,000,000	6,923.08
8.	Staff Uniform & Other Expenses	60,000	5	300,000	-	300,000	230.77
	Sub-total			39,180,000	-	39,180,000	30,138
	TOTAL INVESTMENT COSTS			872,020,000	2,361,620,000	3,233,640,000	1,258,777
				FINANCING %AGE	27%	73%	100%

NB: Exchange Rate used is 1US \$ = Tshs 2600.00

PROVISIONAL LOAN REPAYMENT SCHEDULE (TSHS):

Table 3

SN	PARTICULARS/YEARS	2024	2025	2026
1.	Balance B/F	2,361,620,000	1,724,790,100	947,857,623
2.	Loan Disbursement	4,361,620,000		
	Interest Capitalized	0		
3.	Interest Payment during grace period	0	519,556,400	379,453,822
				208,528,677
4.	Principal Payment		636,829,900	776,932,478
				947,857,623
5.	Balance C/F	2,361,620,000	1,724,790,100	947,857,623
				0
6.	Total Loan Service		1,156,386,300	1,156,386,300
				1,156,386,300

NOTE:

The loan repayment schedule has been prepared under the following provisional assumptions:

1. The interest rate is as provided in Table # 1.
2. Credit period is assumed to be 36 months.
3. Repayment frequency of monthly is assumed in the proposal.

CAPITAL INVESTMENT AND DEVELOPMENT SCHEDULE [USS, TSHS]

Table 4

SN	PARTICULARS/YEARS	2024	2025	2026	2027
[A]	LAND AND BUILDINGS [TSHS]:				
	Land Acquisition	90,000,000.00	-	-	-
		0	-	-	-
		0	-	-	-
[B]	MACHINERY, TOOLS & STOCKS:				
1	Sprit Unit	3,600,000	-	-	-
2	Utilities/Installation i.e. electricity and water	80,000	-	-	-
3	Machinery on section 2.6 of the study	1,760,000	-	-	-
4	Stocks of oil and auto-parts	-	-	-	-
[C]	VEHICLES				
1	Truck and trailers	392,500,000	-	-	-
4	Excavator	-	-	-	-
3	Patrol vehicles	-	-	-	-
[D]	FURNITURES, FIXTURE & FITTINGS:				
1	Refrigerators, computers & its accessories	3,400,000	-	-	-
2	Furnitures	1,500,000	-	-	-
	Sub-total	492,840,000	-	-	-
[E]	PRE-OPERATIONAL EXPENSES [TSHS]:				
1.	Entertainment/Drinks/Food e.t.c	240,000.00	-	-	240,000
2.	Feasibility Study Preparation	1,500,000.00	-	-	1,500,000
3.	Legal Documentation/Licence	600,000.00	-	-	600,000
4.	Land Rent	2,400,000.00	-	-	2,400,000
5.	Salary and Wages (First Month)	24,000,000.00	-	-	24,000,000
6.	Electricity & Other Utilities	1,140,000.00	-	-	1,140,000
7.	Transport/Traveling charges	9,000,000.00	-	-	9,000,000
8.	Staff Uniform & Other Expenses	300,000.00	-	-	300,000
		-	-	-	-
		-	-	-	-
	Sub-total	39,180,000	-	-	39,180,000
	TOTAL INVESTMENT COST [TSHS]	532,020,000	-	-	39,180,000

PROJECTED PURCHASES:

Table 5

SN	DESCRIPTION OF ITEMS	UNIT OF MEASURE	QUANTITY	AV. COST/UNIT (Tons)	2024	2025	2026
1.	Running exp. truck and trailer 1	Trips	72	1,700,000	122,400,000	124,848,000	127,344,960
2.	Running exp. truck and trailer 2	Trips	72	1,700,000	122,400,000	124,848,000	124,848,000
3.	Running exp. truck and trailer 3	Trips	72	1,700,000	122,400,000	124,848,000	124,848,000
4.	Running exp. truck and trailer 4	Trips	72	1,700,000	122,400,000	124,848,000	124,848,000
5.	Running exp. truck and trailer 5	Trips	72	1,700,000	122,400,000	124,848,000	124,848,000
6.	Running exp. truck and trailer 6	Trips	72	1,700,000	122,400,000	124,848,000	124,848,000
7.	Running exp. truck and trailer 7	Trips	72	1,700,000	122,400,000	124,848,000	125,097,696
8.	Running exp. truck and trailer 8	Trips	72	1,700,000	122,400,000	124,848,000	125,097,696
9.	Running exp. truck and trailer 9	Trips	72	1,700,000	122,400,000	124,848,000	125,097,696
10.	Running exp. truck and trailer 10	Trips	72	1,700,000	122,400,000	124,848,000	125,097,696
11.	Running Exp. Excavator	Hours	40	200,000	480,000,000	489,600,000.00	490,579,200
	TOTAL WEIGHT FOR ONE CONTAINER (TONS)				1,704,000,000	1,730,000,000	1,742,554,944
	TOTAL (US\$)				655,384,62	668,492.31	670,213.44

NOTE:

An increase in production volumes is assumed at 2%.

PROJECTED REVENUE:

Table 6

SN	DESCRIPTION OF ITEMS	MEASURE	COUNTRY OF ORIGIN	QUANTITY	AVERAGE PRICE	2024	2025	2026
1	Income truck and trailer 1	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
2	Income truck and trailer 2	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
3	Income truck and trailer 3	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
4	Income truck and trailer 4	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
5	Income truck and trailer 5	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
6	Income truck and trailer 6	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
7	Income truck and trailer 7	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
8	Income truck and trailer 8	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
9	Income truck and trailer 9	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
10	Income truck and trailer 10	Trips	Tanzania	72	3,000,000.00	216,000,000.00	220,320,000.00	224,726,400.00
11	Remaining Exp. November	Hours	Tanzania	2,400	800,000	1,920,000,000.00	2,350,080,000.00	2,741,760,000.00
	TOTAL (TSHS)					4,119,690,000.00	4,441,408,000.00	5,156,467,200.00
	TOTAL (US \$)					664,615.30	677,907.69	801,465.83
NOTE:								

Annual increase in sales volumes is estimated at 2%

PROJECTED DIRECT EXPENSES:

Table 7A

SN	PARTICULARS	UNIT OF MEASURE	COST/MONTH	QUANTITY	2024	2025	2026
[A]	SERVICE OVERHEADS						
1.	Water Utilities	Bundles	9,000	10	180,000	183,600	187,272
2.	Electricity	Pcs of 0.018 cu meter	10,000	12	240,000	244,800	249,696
3.	Packing Materials	Cartoons	5,000	12	120,000	122,400	124,848
4.	Stripings	Cartoons	-	12	-	-	-
	Sub-Total				540,000	550,800	561,816
[B]	OTHER DIRECT COSTS:						
1.	Advertisement				210,000	214,200	218,484
2.	Promotional Materials				200,000	204,000	208,080
3.	Others				14,000	14,280	14,566
4.	Running exp truck and trailer 1		72	1,700,000	122,400,000	124,848,000	127,344,960
5.	Running exp. truck and trailer 2		72	1,700,000	122,400,000	124,848,000	127,344,960
6.	Running exp. truck and trailer 3		72	1,700,000	122,400,000	124,848,000	127,344,960
7.	Running exp. truck and trailer 4		72	1,700,000	122,400,000	124,848,000	127,344,960
8.	Running exp. truck and trailer 5		72	1,700,000	122,400,000	124,848,000	127,344,960
9.	Running exp. truck and trailer 6		72	1,700,000	122,400,000	124,848,000	127,344,960
10.	Running exp. truck and trailer 7		72	1,700,000	122,400,000	124,848,000	127,344,960
11.	Running exp. truck and trailer 8		72	1,700,000	122,400,000	124,848,000	127,344,960
12.	Running exp. truck and trailer 9		72	1,700,000	122,400,000	124,848,000	127,344,960
13.	Running exp. truck and trailer 10		72	1,700,000	122,400,000	124,848,000	127,344,960
	Sub-Total				1,224,424,000	1,248,912,480	1,273,890,720
	TOTAL				1,724,964,000	1,749,463,280	1,775,452,546

PROJECTED INDIRECT EXPENSES:

Table 7B

SN	DESCRIPTION	# OF STAFF	SALARY/MONTH	2024	2025	2026
[A] PAYROLL EXPENSES:						
1.	Proprietor	1	800,000	9,600,000	9,696,000	9,792,960
2.	Operations Manager	1	600,000	7,200,000	7,344,000	7,490,880
3.	Mechanical Technician	3	500,000	18,000,000	18,360,000	18,727,200
4.	Mining Engineer	0	-	-	-	-
5.	Supervise	0	-	-	-	-
6.	Drivers	10	300,000	36,000,000	36,720,000	37,454,400
7.	Assistant Drivers	10	200,000	24,000,000	24,480,000	24,969,600
8.	Guards	2	120,000	2,880,000	2,937,600	2,996,352
9.	Casual Labourers	3	50,000	1,800,000	1,836,000	1,872,720
	Add Social Benefits 20%			-	-	-
	Sub-Total	30	2,570,000	99,480,000	101,373,600	103,304,112
[B] OTHER OVERHEADS:						
1.	Travelling expenses	1	20,000	240,000	244,800	249,696
2.	Postage and Telephone	1	15,000	180,000	183,600	187,272
3.	Printing and Stationery	1	10,000	120,000	122,400	124,848
4.	Taxes	1	25,000	300,000	306,000	312,120
5.	Insurance and Licence	1	50,000	600,000	612,000	624,240
6.	Travelling and other utilities	1	60,000	720,000	734,400	749,088
7.	Others (10% of other administrative expenses)	1		216,000	220,320	224,726
	Sub-Total			2,376,000	2,423,520	2,471,990
	TOTAL			101,856,000	103,797,120	105,776,102
NOTE:						

An increase of 2% in indirect overheads has been assumed in the projection, to cover for inflation rises.

PROJECTED DIRECT & INDIRECT OPERATING EXPENSES:

Table 7C

SN	PARTICULARS/YEARS	2024	2025	2026
[A]	DIRECT EXPENSES:			
1.	Service Overhead	540,000	550,800	561,816
2.	Other Direct Overhead	1,224,424,000	1,248,912,480	1,273,890,730
3.				
4.				
	Sub-total	1,224,964,000	1,249,463,280	1,274,452,546
[B]	INDIRECT EXPENSES:			
1.	Salaries and Wages	99,480,000	101,373,600	103,304,112
2.	Other Administrative Expenses	2,376,000	2,423,520	2,471,990
	Sub-total	101,856,000	103,797,120	105,776,102
	TOTAL	1,326,820,000	1,353,260,400	1,380,228,648

PROJECTED WORKING CAPITAL ESTIMATE:

Table 8

SN	PARTICULARS/YEARS	2024	2025	2026
[A]	CASH:			
1.	2% of total operating costs	0	-	-
[B]	DEBTORS:			
1.	2% of total revenue	-	55,385	56,492
[C]	STOCKS:			
1.	Service Overhead	540,000	550,800	561,816
2.	Other Direct Overhead	1,224,424,000	1,248,912,480	1,273,890,730
3.		0	-	-
4.		0	-	-
	Sub-total	1,224,964,000	1,249,518,665	1,274,509,038
[D]	CREDITORS:			
1.	Utilities and other staff [1 month]	2,376,000	2,423,520	2,471,990
2.	Salaries, Wages [1 month]	8,290,000	8,447,800	8,608,676
	Sub-total	10,666,000.00	10,871,320.00	11,080,666.40
		1,214,298,000.00	1,238,647,344.62	1,263,428,371.51

CAPITAL INVESTMENT SCHEDULE [Including Custom Duty & Sales Tax - Tshs]

Table 9

PARTICULARS/YEARS	Deprec.	2024	2025	2026	2027
LAND AND BUILDINGS (Tshs):					
Land Acquisition	2.0%	90,000,000.00	-	-	-
	2.0%	-	-	-	-
MACHINERY, TOOLS & STOCKS:					
Spent Unit	12.5%	4,000,000.00	-	-	-
Utilities/Installation i.e. electrical	12.5%	80,000.00	-	-	-
Coring Fan					
Machinery on section 2.6 of the s	12.5%	1,760,000.00	-	-	-
Stocks of oil and autospares	12.5%	-	-	-	-
VEHICLES					
Truck and trailers	25.0%	392,500,000.00	-	-	392,500,000.00
Tipping Trailer					
Low Bed					
Excavator	25.0%	-	-	-	-
Petro vehicles					
FURNITURES, FIXTURE & FITTINGS:					
Refrigerator, computers & its ac	10.0%	3,400,000.00	-	-	-
Furniture	10.0%	1,500,000.00	-	-	-
Sub-total		493,240,000			392,500,000.00
PRE-OPERATIONAL EXPENSES (Tshs):					
Entertainment/Drinks/Food e.t.c	25.0%	240,000.00	-	-	240,000.00
Feasibility Study Preparation	25.0%	1,500,000.00	-	-	1,500,000.00
Legal Documentation/Licence	25.0%	600,000.00	-	-	600,000.00
Land Rent	25.0%	2,400,000.00	-	-	2,400,000.00
Salary and Wages (First Month)	25.0%	24,000,000.00	-	-	24,000,000.00
Electricity & Other Utilities	25.0%	1,140,000.00	-	-	1,140,000.00
Transport/Traveling charges	25.0%	9,000,000.00	-	-	9,000,000.00
Staff Uniform & Other Expenses	25.0%	300,000.00	-	-	300,000.00
Sub-total		39,180,000.00			39,180,000.00
TOTAL INVESTMENT COSTS		532,420,000			431,680,000.00

FIXED ASSETS SCHEDULE [Tshs]:

Table 10

PARTICULARS/YEARS	2024	2025	2026
LAND & BUILDING:			
Opening Balance	0	473,510,400	454,569,984
Additions	0	0	0
Depreciations	0	*(18,940,416)	(18,182,799)
Closing Balance	0	454,569,984	436,387,185
VEHICLES:			
Opening Balance	0	323,760,000	242,820,000
Additions	0	0	0
Depreciations	0	(80,940,000)	(60,705,000)
Closing Balance	0	242,820,000	182,115,000
PROJECT ITEMS:			
Opening Balance	0	107,188	93,789
Additions	0	0	0
Depreciations	0	(13,398)	(11,724)
Closing Balance	0	93,789	82,065
PROJECT TOOLS:			
Opening Balance	0	0	0
Additions	0	0	0
Depreciations	0	0	0
Closing Balance	0	0	0
PRE-OPERATING EXPENSES:			
Opening Balance	0	0	0
Additions	0	0	0
Depreciations	0	0	0
Closing Balance	0	0	0
DEPRECIATION RATES:			
LAND & BUILDING:	4.0%		
VEHICLES:	25.0%		
PROJECT ITEMS:	12.5%		
PROJECT TOOLS:	0.0%		
PRE-OPERATING EXPENSES:	25.0%		
OPENING BALANCE	0	797,377,588	697,483,773
ADDITIONS	0	0	0
DEPRECIATIONS	0	(99,893,814)	(78,899,523)
CLOSING BALANCE	0	697,483,773	618,584,250

PROJECTED INCOME [TSHS]:		Table 11		
PARTICULARS/YEARS		2024	2025	2026
Total Revenue	0	4,119,090,000	4,641,408,000	5,156,467,200
LESS:				
Total Direct Costs	0	(1,224,964,000)	(1,249,463,280)	(1,274,452,546)
OPERATING PROFIT	0	2,894,126,000	3,391,944,720	3,882,014,654
LESS:				
Total Indirect Costs	0	(101,856,000)	(103,797,120)	(105,776,102)
GROSS PROFIT	0	2,792,270,000	3,288,147,600	3,776,238,552
LESS:				
Depreciation	0	(127,664,913)	(99,893,814)	(78,899,523)
Interest Capitalised		0	(519,556,400)	(379,453,822)
Interest paid		0	0	0
Pre-operating Costs		0	0	0
PROFIT BEFORE TAX	0	2,664,605,088	2,668,697,386	3,317,885,207
LESS:				
Corporation Tax	0	(532,921,018)	(533,739,477)	(663,577,041)
PROFIT AFTER TAX	0	2,131,684,070	2,134,957,908	2,654,308,166
Operating Surplus Percentage	0%	70%	73%	75%
Gross Profit Percentage	0%	68%	71%	73%
Net Profit Percentage	0%	52%	46%	51%
RETAINED EARNINGS	0	2,131,684,070	2,134,957,908	2,654,308,166
CUMULATIVE RETAINING	0	2,131,684,070	4,266,641,978	6,920,950,144

PROJECTED BALANCE SHEET (TSHS):

Table 12

PARTICULARS/YEARS	2024	2025	2026
CURRENT ASSETS:			
Cash	0	5,076,518,155	6,650,577,411
Debtors	0	55,385	56,492
Stocks	1,224,964,000	1,249,463,280	1,274,452,546
TOTAL CURRENT ASSETS	1,224,964,000	6,326,036,820	7,925,086,449
OTHER INVESTMENTS:			
Pre-operating Costs	0	0	0
TOTAL INVESTMENTS	0	0	0
FIXED ASSETS:			
Total Fixed Assets	0	797,377,588	697,483,773
TOTAL FIXED ASSETS	0	797,377,588	697,483,773
TOTAL ASSETS	1,224,964,000	7,123,414,408	8,622,570,222
CURRENT LIABILITIES:			
Corporation Tax	0	532,921,018	533,739,477
Creditors	10,666,000	10,871,320	11,080,666
TOTAL CURRENT LIABILITY	10,666,000	543,792,338	544,820,144
NET ASSETS	1,214,298,000	6,579,622,070	8,077,750,079
FINANCED BY:			
Share Capital	0	0	872,020,000
Equity Capital	0	872,020,000	0
Loan Balance	0	2,361,620,000	1,724,790,100
Capital Reserve	0	1,214,298,000	1,214,298,000
Retaining Earnings	0	2,131,684,070	4,266,641,978
TOTAL EQUITY	0	6,579,622,070	8,077,750,079
			9,955,125,767



VEHICLE AUTO PARTS COMPANY LIMITED
Morogoro Road / Mabibo Road, Opposite Lake Oil Filling Station,
P.O.BOX 16344, Dar es Salaam Tanzania
E-mail: sales@vercoe.co.tz

PROFORMA INVOICE

NO: VT20240527GLN

DATE: 27-05-2024

GLN LIMITED,
ADDRESS : BOX NO. 4253 DSM.
TIN NO:
VRN NO:

GOODS DESCRIPTION	QTY	UNIT PRICE	AMOUNT (USD)
BRAND NEW. 40FT 3AXLES TIPPING TRAILER MECHANICAL SUSPENSION.	3	36,000.00	108,000.00
TOTAL AMOUNT INCLUSIVE			108,000.00

THIS PROFORMA INVOICE IS VALID UP TO 20 JUNE 2024

BANK DETAILS:

BENEFICIARY NAME: VERCOE VEHICLE AUTO PARTS COMPANY LIMITED
BENEFICIARY ACCOUNT NO:
USD: 0260520883600
TZS: 0160520883600
BENEFICIARY BANK: CRDB BANK
SWIFT CODE: CORUTZT
SORT CODE: 3398





PROFORMA INVOICE

VAT No.: 40-013510-N
TIN No. : 118-234-146

Ref.: METATATNZ/JCB2024/106
Date: 09th April, 2024

To
GLN Limited
P.O.Box 4253
Dar es Salaam
Tanzania

Subject: Proforma of JCB Excavator JCB NXT 225LC M

Many thanks for giving us an opportunity to serve your esteemed organization. We are pleased to offer you our proforma as following.

	Qty. (in units)	Unit Price (in USD)	Total Price (in USD)
<p>JCB 225 NXT LC – New Unit</p> <ul style="list-style-type: none"> • Engine : Cummins 6BTAA 5.9L, 148 HP, Displacement 5.9 ltrs. • Operating weight: 22,200kg • New 7" LCD 'Intellicontrol' Digital Color Display – DECU • High Fuel efficiency due to new IntelliControl system • Three Power Mode selection (Economy, Power & Power+) • Cabin : JCB Standard cabin with face level fan, suspension seat, laminated front glass and side glasses. • Track type: Long Carriage with 600mm Triple Grouser shoe • Factory fitted hammer piping kit with valve control • GP Bucket : 1.05cum to 1.2 cu.m HD • Dipper Length : 2.4m • Boom Length : 5.7m • JCB Live link telematics for satellite tracking with a free subscription for 5 years <p>Warranty for 2000 Hours or 1 years, whichever comes early</p>	1	\$ 122,000	\$ 122,000
Sub Total			\$ 122,000
VAT @18%			\$ 21,960
Grand Total including VAT			\$ 143,960

Delivery: Ex META showroom, Dar es Salaam



SCHWING ELGi
Stetter



Husqvarna



Availability: Ex-stock Subject to availability

PAYMENT TERMS: 100% advance along with order confirmation.

BANK DETAIL:

ACCOUNT NAME: META PLANT & EQUIPMENT TANZANIA LTD

Bank	Branch Address	Account Number	Swift Code
CRDB Bank	Pugu Road Branch, Dar es Salaam	02 50357511100	CORUTZTZ
CRDB Bank	Pugu Road Branch, Dar es Salaam	01 50357511100	CORUTZTZ
Stanbic Bank	Industrial Branch, Pugu Road, Dar Es Salaam	9120001293387	SBICTZTX

PRICE VARIATION

All prices quoted are in US dollars

VALIDITY

This Quotation is valid for 15 days. There after subject to confirmation in writing.

We trust that our offer will meet with your favorable consideration. Should you require any further information, please feel free to contact the undersigned.

Yours faithfully,

(For and on behalf of META Plant & Equipment Tanzania Ltd)

Handwritten signature

(Authorized Signatory)



SCHWING ELGI
Stetter



Husqvarna



SCHWING ELGI
Stetter



TEREX



MPS

 **Husqvarna**